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Webs.com brings social media platform to FreeWebs

By Allan Maurer

SILVER SPRING, MD; It started in 2001 like many other Internet stories, with two brothers, \$2,000, a server in a closet and the goal of creating a Web building service simple enough for their mother to use called FreeWebs.

Last week, with 20 million business and personal websites using their service, the company rebranded itself as Webs.com and rolled out a new platform to make it easy for their users to add social networking features to their sites.

Haroon and Zeki Mokhtarzada co-founded FreeWebs after their final year at the University of Maryland, College Park. "We bootstrapped the company initially and ran it like that for several years," Haroon, CEO, who is now 28, tells TechJournal South.

Give it some love

"My brother was working fulltime and I was in Harvard Law School," says Haroon. "But when I was looking at my career options, FreeWebs was making enough money to pay our salaries, so we said, let's give it some love, decided to work it fulltime, and then looked at growth potential."

In 2006 the company raised \$12 million from East Coast angel investors and venture firms Novak Biddle and Columbia Capital. It's not currently looking for another round.

"We never planned on getting more money," says Haroon. "We witnessed the dot com crash and said we really needed to build a business that really is a business up front and grow it organically. We launched in 2001 and started adding more servers in the later part of the year and the only reason we bought more bandwidth was that the demand for it increased. Today we get 20,000 new users every day."

"We're one of the few social media companies that actually have a business model and are cash flow positive," says Haroon.

"We have a decent amount of cash in the bank and are headed toward profitability and we're glad we got to where we are considering this climate. It's not a good time to be raising money."

Premium services add to revenue Deloitte's 2008 Technology Fast 500 ranked the company as 119 on its list of the fastest growing technology, media, telecom and life science companies in North America. The company grew 1704.23 percent from 2003-2007.

The 30-employee company initially relied on advertising as its primary source of revenue but diversified to sell premium subscriptions that give users more features such as the ability to include more items in their Web stores.

"That has been a big focus for us this year and takes up a larger portion of our total revenue now," says Haroon.

"We're seeing some deflation in ad revenue, as is most of the industry, but we haven't seen as much of an impact on our premium services."

Experienced dot com bust He points out that they started FreeWebs during another down economic period. "One of the things people do during downturns is start a home business, a service or sell crafts-some alternative income thing. So they turn to free Web publishing tools like ours where they can do it for relatively low cost."

The rebranding has been in the works for 10 months. "What we're doing is reinventing what it means to have a Web site," says Haroon. "There may still be a need for static Web sites, but not for an Internet business."

"They're not interesting for consumers long term. Visitors need to be active participants. That's the trend. We want to be a solution for people who want a really valuable Web site."

It is easier and easier to put up a Web site, he notes, "But what's really important is to create sites with community and longevity by creating an organic relationship between owners and visitors."

Social interaction now drives online traffic and public opinion and we have evolved to accommodate the internet's social evolution.

"We owe our success to an adaptable platform and constant innovation in online publishing."

Developer opportunities The new platform makes it simple to seamlessly add photo and video galleries, blogs, calendars, web stores, wikis, and members that can comment and contribute to bring a website to life.

It also offers opportunities to the developer community.

"The platform was built with partner applications in mind," said Webs CTO & Co-Founder Zeki Mokhtarzda.

"Developers with useful web applications can quickly and seamlessly integrate them into our platform and gain access to our millions of site owners. On the flipside, our site owners reap the rewards of best-of-breed technologies from industry leaders like WetPaint, Picnik, YouTube, Clicky, Demand Media, and Cooliris."

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